

NONGOMA LOCAL MUNICIPALITY



KWAZULU-NATAL

SUPPLY CHAIN MANAGEMENT

DELEGATIONS FRAMEWORK

01 JULY 2020

The Supply Chain Management Delegations Framework should be read with the objective of ensuring that uniform procedures and processes are implemented at all KwaZulu – Natal Municipalities

This document must be read together with relevant SCM Legislation, Practice Notes, MFMA Circulars and the Municipality's SCM Policy and Standard Operating Procedures



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CHAPTER 1: ABBREVIATIONS AND DEFINITIONS

1.1 ABBREVIATIONS

“AO”	Accounting Officer/Municipal Manager
“CFO”	Chief Financial Officer
“EXCO”	Executive Committee
“LGSA”	Local Government Municipal Structures Act, 1998 (Act 117 of 1998)
“LGMSA”	Local Government Municipal Systems Act, 2000 (Act 32 of 2000)
“MFMA”	Municipal Finance Management Act, 2003 (Act 56 of 2003)

1.2 DEFINITIONS

“Accounting Officer”: In relation to a municipality means the Municipal Manager.

“Delegation”: The assignment of decision-making responsibility to a subordinate, thereby authorising him/her to exercise his/her delegated authority. The subordinate is held responsible for the way in which he/she exercises his/her delegated authority but the person or institution that delegated the authority remains accountable. The Municipal Systems Act as well as the Municipal Finance Management Act defines delegation as follows:
“...in relation to a duty, includes an instruction to perform the duty, and ‘delegate’ has a corresponding meaning.”
The Municipal Structures Act defines delegation as: “...in relation to a duty, includes an instruction to perform the duty.”

“Emergency Cases”: Are cases where immediate action is necessary in order to avoid a dangerous or risky situation or misery. Emergency cases include any situations which may arise from natural disasters, riots, fire, etc. and are considered life-threatening.

“Power”: Includes a duty and a function.

“Urgent Cases”: Are cases where early delivery is of critical importance and the invitation of competitive bids is either impossible or impractical. Urgent cases include any unforeseen needs that require timeous resolution. An example may be the procurement of plastic shelters for victims of storm damage.

CHAPTER 2: POLICY APPROVAL

2.1 PURPOSE OF THE DELEGATIONS FRAMEWORK

This Delegations Framework is intended to be a guide for Municipal Supply Chain Management activities and ensure compliance with National and Provincial guidelines. The aim of this Delegations Framework is to ensure efficiency, effectiveness and uniformity in the procurement of goods and/or services that may be required for the proper functioning of the NONGOMA Local Municipality, whilst developing, supporting and promoting Broad Based Black Economic Empowerment goals.

The Delegations Framework is structured around four (4) chapters namely:

Chapter 1: Abbreviations and Definitions.

Chapter 2: Policy Approval;

Chapter 3: General Delegations of Authority; and

Chapter 4: Specific Delegations of Authority.

This Supply Chain Management Delegations Framework shall give effect to the implementation of Supply Chain Management within the NONGOMA Local Municipality. All Supply Chain Management activities shall be executed in line with this Delegations Framework.

These powers are granted subject to the provisions of any other Act of Parliament, as amended from time to time. Where any doubt exists with regard to the interpretation or application of any power or condition, the Accounting Officer must be approached through the normal service channels for a decision and finalisation.

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2.2 COUNCIL APPROVAL

TITLE	Supply Chain Management Delegations Framework
VERSION	Version 1. 0
COMPILED BY	Supply Chain Management Unit
EFFECTIVE DATE	01 July 2020
COUNCIL APPROVAL DATE AND RESOLUTION NUMBER	
SUMMARY	This document is the Supply Chain Management Delegations Framework applicable to the NONGOMA Local Municipality

CHAPTER 3: SPECIFIC DELEGATIONS OF AUTHORITY

With due consideration of predetermined financial limits, the general standing powers are delegated in order to expedite the process to procure goods and services, the acquisition or disposal of movable and immovable property and the granting of rights. These powers, as set out, are delegated in accordance with the Treasury Regulations in terms of the Municipal Finance Management Act and the Policy Framework for Supply Chain Management.

These powers are granted subject to the provisions of any other Act of Parliament, as amended from time to time. Where any doubt exists with regard to the interpretation or application of any power or condition, the Accounting Officer must be approached through the normal service channels for a decision and finalisation.

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Table 1: Specific Procurement Delegations				
No	Scope	Delegated Authority	Threshold Value	Conditions Applicable To Delegation
1.	Obtain Council Resolution for the approval of SCM Policy, SCM Delegations, Procedure Manual for SCM Practitioners and SCM Standard Operating Procedures for End Users.	AO	N/A	I Annual reviews of the SCM Policy, SCM Delegations, Procedure Manual for SCM Practitioners and SCM Standard Operating Procedures for End Users.
2.	Appointment of BSC, BEC and BAC members.	AO	N/A	- I Members of the BSC, BEC and BAC must be appointed annually. - I At least five (5) members must be appointed to each Bid Committee. - I The Bid Committees must comprise suitably qualified and experienced members. - I Members with specialist expertise may be co-opted onto these Bid Committees. - I No member may serve on both the BEC and the BAC.
3.	Appointment of Disposal Committee members.	AO	N/A	- I Members must be appointed annually. - I At least five (5) members must be appointed, and must include both the chief financial officer and the SCM manager. - I The committee must comprise suitably qualified and experienced members. - I Members with specialist expertise may be co-opted onto this
4.	Deviations from this delegated authority.	AO	Unlimited	- I Any deviation from these delegations MUST be approved by the AO in writing. - I Any request for deviation MUST be accompanied by detailed motivation in terms of the legal prescripts.

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Table 2: Specific Procurement Threshold Values

No	Scope	Responsible Official	Threshold Value	Conditions Applicable To Delegation
1.	Level 1: Petty Cash Procurement for an estimated value up to R2 000 (Including VAT) per case.	Manager	R2 000	- I PPPFA does not apply. - I Authority to procure by means of petty cash vests with the relevant Manager. - I Re-imbursement of expenditure must be supported by actual invoice/ receipt/ cash sale slip from supplier up to R2 000. - I For petty cash procurement up to R500, verbal quotations are permissible provided the actual purchase transaction is supported by actual invoice/ receipt/ cash sale slip from supplier. - I For petty cash procurement above R500 and below R2 000, 2 written quotations must be obtained and awarded to the cheapest supplier. - I The total monetary value of petty cash purchases per month may not exceed R5 000 for the Municipality as a whole. - I Suppliers not registered on the Institution's Suppliers Database may be considered. - I Records and appropriate documents for each purchase must be submitted to the relevant Manager with 48 hours of purchase. - I Submission of monthly reconciliation reports from each Head of Department must contain the total number and total value of petty cash purchases for that month.
2.	Level 2 Procurement for an estimated value of more than R2 000 up to R10 000 (Including VAT) per case.	SCM Manager	R10 000	- I Authority to procure may not be delegated to an official other than the SCM Manager, Chief Financial Officer or the Accounting Officer. - I At least three (3) written quotations must be obtained from suppliers registered on the Institution's Suppliers Database. - I If only one or two suppliers are available, written motivation must be placed on file for audit purposes. - I Awarded to the lowest acceptable quote. - I PPPFA does not apply.

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Table 2: Specific Procurement Threshold Values

No	Scope	Responsible Official	Threshold Value	Conditions Applicable To Delegation
3.	Level 3: Procurement for an estimated value of more than R10 000 up to R30 000 (Including VAT) per case.	SCM Manager	R30 000	- I Authority to procure may not be delegated to an official other than the SCM Manager, Chief Financial Officer or the Accounting Officer. - I At least three (3) written quotations must be obtained from suppliers, verbal quotations can be obtained also if it is impossible to obtain Registered on the Institution's Suppliers Database. - I Awarded to the lowest acceptable quote. - I PPPFA does not apply.
4.	Level 4: Procurement for an estimated value of more than R30 000 up to R200 000 (Including VAT) per case.	Chief Financial Officer	R200 000	- I Authority to procure may not be delegated to an official other than the Chief Financial Officer or the Accounting Officer. - I Procurement above R30 000 but not more than R200 000.00 must be advertised for a period of seven (7) days on the municipal notice board and municipal website. - I If it is not possible to obtain at least three written quotations, for example, if the item is obtainable from only one or two suppliers, such as in the case of a patented product, written reasons must be recorded and approved by the Supply Chain Manager, or the Chief Financial Officer if the transaction value exceeds R30 000. - I The successful Supplier/ Service Provider is the one that scores the highest points for Price (80) and Preference Points (20) in terms of the PPPFA, provided that all minimum and functionality criteria have been met in terms of the approved specification. - I PPPFA shall apply.
5.	Level 5: Procurement for an estimated value of more than R200 000 (Including VAT) per case.	CFO AO	Above R200 000 up to R1 000 000 Above R1 000 000	- I Authority to procure more than R200 000 may not be delegated to an official other than the Chief Financial Officer or the Accounting Officer. - I The Competitive Bidding process must be used for ALL bids. - I Public Invitation of the Bid for 14 days, or 30 days if transaction value exceeds R10 000 000.00 Or it is a long term contract - I Bids must be invited publicly in at least the local newspaper or national newspaper, and the municipal website. - I Bid Specifications must be approved by the BSC prior to advertising.

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Table 2: Specific Procurement Threshold Values

No	Scope	Responsible Official	Threshold Value	Conditions Applicable To Delegation
				- I All bids are evaluated by the BEC and a report is submitted to the BAC recommending the successful bidder. - I All bids are adjudicated by the BAC and a recommended award is submitted to the AO or his delegate for approval and award. - I Original tax clearance, SARS verification with pin certificates should be a pre-requisite for award. - I Awards must be published publicly in at least the same local newspaper or national newspaper as the bid was advertised, and the municipal website. - I Once appeals procedure is finalised, contract is drafted and the order is placed /Letter of award to with the successful bidder.

6.	Exceptional And Emergency Cases (in terms of section 34 of this policy)	AO	Unlimited	I Goods and/or services may be procured, by making use of suppliers registered on the Institution's Suppliers Database. I Where the requirement is of a repetitive nature, the Institution must make appropriate arrangements such as by arranging a period contract for the requirement, subject to the provisions of delegations. I In these cases it is permissible to invite at least three verbal or written quotations (where practical). The relevant suppliers must confirm their offers in writing as soon as possible thereafter. I Where only one quotation is received and accepted, and taking the circumstances into account, all reasonable steps must be taken to ensure that a fair (market related) price is obtained. I The conditions contained in the General Conditions of Contract must be made applicable to the purchase. I The reasons for the urgency or emergency and the losses or consequences that will follow if action was not taken must be recorded and must serve as the basis for a written motivation as to why it is impractical to invite competitive bids. I Such written motivation must be approved by the Accounting Officer or his/her delegate. I The standard deviation form must be completed and approved by the AO or his delegate.
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Table 2: Specific Procurement Threshold Values

No	Scope	Responsible Official	Threshold Value	Conditions Applicable To Delegation
7.	Sole Supplier	AO	Unlimited	I Where a bid is invited from a sole agent or supplier, provision must be made in the bid documents for the inclusion of particulars in order to determine the reasonableness of the price(s). I All sole supplier bids shall be approved in writing by the Supply Chain Manager, or the Chief Financial Officer if the transaction value exceeds R100 000. I Original tax clearance certificates should be a pre-requisite for award. I Sole supplier bids may be accepted; provided it complies with the specification and that the prices are proved to be and are certified as fair and reasonable. Proof of reasonableness must be determined in the following sequence: (i) Comparison with prices, after discounts, to other clients and the relative discount that the Municipality enjoys. (ii) Where this is not possible, profit before tax, based on a full statement of relevant costs. (iii) In all cases, comparison with previous bid prices where these are available. (iv) Proof of reasonableness of prices where only one bid is received, must be available for audit purposes.
8.	Variation Orders/ Contingencies/ Extensions to Contracts	AO	R15 Million (Goods and Services) R20 Million (Construction related Goods)	I Contracts may be expanded or varied by not more than 20% or R20 million (including all applicable taxes) for construction related goods, works and/or services and 15% or R15 million (including all applicable taxes) for all other goods and/or services of the original value of the contract, whichever is the lower amount. I All variations must be recommended by the Bid Adjudication Committee prior to seeking the written approval of the AO. I Extensions to any contracts on a month to month basis must not exceed a period of 6 months. I All variations must be reported to Council.

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Table 2: Specific Procurement Threshold Values

No	Scope	Responsible Official	Threshold Value	Conditions Applicable To Delegation
9.	Transversal Contracts	AO	Unlimited	<i>I</i> A transversal contract may be used when the demand for goods and/ or services can be aggregated to minimise procurement costs and maximise better pricing and quality of goods and services, > For high volume requirements; > Where goods and services are required over a fixed period; and > Where the requirements for goods and services can be approximated over an agreed time-scale, using a call-off arrangement. <i>I</i> Only the Accounting Officer may approve the participation in a transversal contract with the custodian Institution. It is imperative that the Institution outlines the budgetary implications against the transversal contract for the duration of the contract to curb possibilities of over expenditure.
10.	Negotiations	AO	Unlimited	<i>I</i> The negotiation in terms of price quotations must be conducted in a forum sitting with all nominated Suppliers/ Service Providers that have been invited for purposes of fairness and equality. <i>I</i> Where a bid is invited from a sole agent or supplier, negotiation may take place so as to obtain the best possible price and quality for the required goods and/or services. <i>I</i> Any discounts received conditionally as a result of negotiations must adhere to Regulation 11 of the Preferential Procurement Regulations. <i>I</i> Other acceptable means of negotiations with Suppliers/ Service Providers will include confirmation of specifications, deliverables, scope of work, implementation plans, project charters, catalogues, performance standards, packaging, delivery, warranties, guarantees, payment terms and milestones, penalties, responsibilities of the Institution and vendor, monitoring mechanisms, etc.

CHAPTER 4: GENERAL DELEGATIONS OF AUTHORITY

The implementation of Supply Chain Management creates a more efficient and effective system of procurement, and vests certain procurement authority and accountability in the Council, Executive Committee, Executive Mayor, Accounting Officer, Chief Financial Officer, Municipal Officials and Bid Committees of the Institution.

4.1 COUNCIL'S GENERAL PROCUREMENT DELEGATIONS

The following statutory powers and duties are delegated to the Council in accordance with the relevant legislation.

Table 3: Council's General Procurement Delegations		
Number	Section In Act	Power
C01	MFMA S16(1)	Approval of an annual budget.
C02	MFMA S28(1)	Deciding to revise an approved budget by way of an adjustments budget.
C03	MFMA S32(2)	Deciding to recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure.
C04		Determining the amount of unauthorised, irregular or fruitless and wasteful expenditure to be recovered, written off or provided for in an adjustments budget.
C05		Identifying the person who is liable for unauthorised, irregular or fruitless and wasteful expenditure.
C06		Appointing a committee to investigate any suspected or reported unauthorised, irregular or fruitless and wasteful expenditure.
C07	MFMA S32(7)	Determining whether an alleged irregular expenditure incurred by the Municipal Manager constitutes a criminal offence.
C08		Determining whether the Municipal Manager allegedly committed an act of theft and fraud.
C09		Reporting alleged irregular expenditure incurred by the Municipal Manager that constitutes a criminal offence and alleged theft and fraud perpetrated by the Municipal Manager to the SAPS.
C10	MFMA S33(1)	Deciding to enter into a contract which will impose financial obligations on the Municipality beyond a financial year.

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Table 3: Council's General Procurement Delegations		
Number	Section In Act	Power
C11		Deciding to enter into a contract which will impose financial obligations on the Municipality beyond three financial years.
C12	MFMA S111	Developing and implementing a Supply Chain Management policy for the Municipality.
C13	MFMA S113(1)	Deciding whether to consider an unsolicited bid received outside the Municipality's normal bidding process.
C14	MFMA S119(2)	Determining the resources or opportunities to be made available for the training of officials involved in the implementation of the supply chain management policy of the Municipality to meet the prescribed competency levels.
C15	MFMA S178(2)(c)	Submitting to the National Treasury a list of all other types of contracts of the Municipality for a period beyond 1 January 2007 and with a value of more than one million Rand in total or per annum.

4.2 EXECUTIVE COMMITTEE'S GENERAL PROCUREMENT DELEGATIONS

The following statutory powers and duties are delegated to the Executive Committee in accordance with the relevant legislation.

Table 4: Executive Committee's General Procurement Delegations		
Number	Section In Act	Power
EC01	LGSA S44(2)(a)(b)	To identify the needs of the Municipality and review and evaluate those needs.
EC02	LGSA S44(2)(c)	Make recommendations to the municipal Council strategies, programmes and services to address priority needs through the integrated development plan and estimates of revenue and expenditure.
EC03	Recommended	Approval of a recommendation for the re-allocation of funds provided for a specific project towards a similar project if the original project can no longer be proceeded with.
EC04	Recommended	Movement of funds between budget votes.
EC05	Recommended	Allocation of funds within the policy of the Council.
EC06	Recommended	The recommendation to the Council for the approval of excess expenditure on the annual capital and operating budgets.
EC07	Recommended	Grant approval in principle of projects, with a view to the provision of funds on the capital budget.
EC08	Recommended	Deal appropriately with all audit reports.
EC09	Recommended	Approve the attendance at meetings, workshops, seminars, conferences, congresses and similar events held outside the area.

4.3 EXECUTIVE MAYOR'S GENERAL PROCUREMENT DELEGATIONS

The following statutory powers and duties are delegated to the Mayor in accordance with the relevant legislation.

Table 5: Executive Mayor's General Procurement Delegations		
Number	Section In Act	Power
M01	MFMA S52(b)	Providing general political guidance and oversee the exercise of responsibilities assigned in terms, of this Act to the Accounting Officer and the Chief Financial Officer.
M02	MFMA S52(c)	Take all reasonable steps to ensure that the Municipality performs its constitutional and statutory functions within the limits of the Municipality's approved budget.
M03	MFMA S52(d)	Submit a report to the Council on the implementation of the budget and the financial state of affairs of the Municipality.
M04	MFMA S53(a)	To provide general political guidance over the budget process and the priorities that must guide the preparation of a budget.
M05	MFMA 54 (1)(b)	Checking whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan.
M06	MFMA 54 (1)(c)	Consider and if necessary make any revisions to the service delivery budget implementation plan.
M07	MFMA 54 (1)(d)	Issuing of appropriate instructions to the Accounting Officer to ensure that the budget is implemented in accordance with the service delivery and implementation plan and that spending of funds and revenue collection proceed in accordance with the budget.
M08	MFMA 54 (3)	Ensure that any revisions of the service delivery and budget implementation plan are promptly made public.

4.4 ACCOUNTING OFFICER'S GENERAL PROCUREMENT DELEGATIONS

The following statutory powers and duties are delegated to the Municipal Manager, in his/ her capacity as Accounting Officer, in accordance with the relevant legislation.

Table 6: Accounting Officer's General Procurement Delegations		
Number	Section In Act	Power
MM01	55(1) MSA	The management of the municipality's administration in accordance with the Systems Act and other legislation applicable to the municipality.
MM02		The management, effective utilization and training of staff.
MM03	55(2) MSA	As Accounting Officer of the municipality, the Municipal Manager is responsible and accountable for all income and expenditure of the municipality and proper and diligent compliance with applicable municipal finance management legislation.
MM04	32(3) MFMA	Informing the Council or the Mayor in writing that a decision taken by the Council or the Mayor is likely to result, if it is implemented, in unauthorised, irregular or fruitless and wasteful expenditure.
MM05	32(4) MFMA	Determining the amount of any unauthorised, irregular or fruitless and wasteful expenditure incurred by the Municipality.
MM06		Identifying the person responsible, or suspected of being responsible, for unauthorised, irregular or fruitless and wasteful expenditure.
MM07		Determining the steps to be taken to recover or rectify any unauthorised, irregular or fruitless and wasteful expenditure incurred by the Municipality.
MM08		Determining the steps to be taken to prevent the recurrence of unauthorised, irregular or fruitless and wasteful expenditure by the Municipality.
MM09		Informing the Mayor, the MEC for local government and the Auditor-General, in writing, of any unauthorised, irregular or fruitless and wasteful expenditure incurred by the Municipality, whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure and the steps that have been taken to recover or rectify such expenditure and to prevent a recurrence of such expenditure.
MM10	32(6) MFMA	Determining whether an alleged irregular expenditure constitutes a criminal offence.

Table 6: Accounting Officer's General Procurement Delegations		
Number	Section In Act	Power
MM11		Determining whether alleged theft and fraud occurred in the Municipality.
MM12		Reporting alleged irregular expenditure that constitutes a criminal offence and alleged theft and fraud which occurred in the Municipality to the SAPS.
MM13	69(1) (a) MFMA	Determining, in relation to implementing the Municipality's approved budget, the reasonable steps required to ensure that the spending of funds is in accordance with the budget and is reduced as necessary when revenue is anticipated to be less than projected in the budget or in the service delivery and budget implementation plan.
MM14	72(3) MFMA	Determining whether it is necessary to recommend that an adjustments budget be considered and that revised projections for revenue and expenditure is necessary.
MM15	73(a) MFMA	Informing the provincial treasury of any failure by the Council to adopt or implement a budget-related policy or a supply chain management policy.
MM16	73(b) MFMA	Informing the provincial treasury of any non-compliance by a political structure or political office-bearer of the Municipality with a budget-related policy or the supply chain management policy.
MM17	74(1) MFMA	Submitting to the National Treasury, the provincial treasury, the department for local government and the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or required.
MM18	79(1) (c) MFMA	Regularly reviewing delegations issued to a member of the Municipality's top management or any other official of the Municipality and, if necessary, amending or withdrawing any of those delegations.
MM19	114(1) MFMA	Submitting a report containing the reasons for deviating from such recommendation to the Auditor-General, the provincial treasury and the National Treasury if a tender other than the one recommended in the normal course of implementing the SCM policy of the Municipality is approved.
MM20	116(3)(a) MFMA	Tabling the reasons for the proposed amendment of a contract or agreement procured through the SCM policy of the Municipality in the Council.
MM21	Recommended	The approval of the attendance by officials of meetings, workshops, seminars, conferences, congresses and similar events conducted outside the boundaries of the Republic of South Africa, shall be approved in consultation with the Mayor.

4.5 CHIEF FINANCIAL OFFICER'S GENERAL PROCUREMENT DELEGATIONS

The following statutory powers and duties are delegated to the Chief Financial Officer in accordance with the relevant legislation.

Table 7: Chief Financial Officer's General Procurement Delegations		
Number	Section In Act	Power
CFO01	32(2) MFMA	Identifying the identity of the person who is liable for unauthorised, irregular or fruitless and wasteful expenditure.
CFO02		Deciding to recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure.
CFO03		Determining the amount of unauthorised, irregular or fruitless and wasteful expenditure to be recovered, written off or provided for in an adjustments budget.
CFO04	62(l)(b) MFMA	Deciding the reasonable steps to be taken to ensure that full and proper records of the Municipality's financial affairs are kept in accordance with any prescribed norms and standards.
CFO05	62(l)(c)(i) MFMA	Deciding the reasonable steps to be taken to ensure that that the Municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.
CFO06	65(2)(a) MFMA	Deciding the reasonable steps to be taken to ensure that the Municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds.
CFO07	65(2)(b) MFMA	Deciding the reasonable steps to be taken to ensure that the Municipality has and maintains a management, accounting and information system which recognises expenditure when it is incurred and that accounts for creditors and payments made by, the Municipality.
CFO08	65(2)(c) MFMA	Deciding the reasonable steps to be taken to ensure that the Municipality has and maintains a system of internal control in respect of creditors and payments.
CFO09	65(2)(d) MFMA	Deciding the reasonable steps to be taken to ensure that payments by the Municipality are made directly to the person to whom it is due unless agreed otherwise for reasons as may be prescribed and either electronically or by way of non-transferable cheques.
CFO10	65(2)(e) MFMA	Deciding the reasonable steps to be taken to ensure that all money owing by the Municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.

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Table 7: Chief Financial Officer's General Procurement Delegations

Number	Section In Act	Power
CFO11	65(2)(i) MFMA	Deciding the reasonable steps to be taken to ensure that the Municipality's supply chain management policy is implemented in a way that is fair, equitable, transparent, competitive and cost- effective.
CFO12	69(l)(b) MFMA	Determining, in relation to implementing the Municipality's approved budget, the reasonable steps required to ensure that revenue and expenditure are properly monitored.
CFO13	69(2) MFMA	Determining whether it is necessary to prepare an adjustments budget.
CFO14	69(2) MFMA	Preparing an adjustments budget and submitting it to the Mayor for consideration and tabling in the Council.
CFO15	69(3)(a) MFMA	Preparing and submitting, within 14 days after the approval of the Municipality's annual budget, a draft service delivery and budget implementation plan for the budget year.
CFO16	70(1) MFMA	Reporting in writing to the Council any impending shortfalls in budgeted revenue and overspending of the Municipality's budget and any steps taken to prevent or rectify such shortfalls or overspending.
CFO17	115(l)(b) MFMA	Determining the reasonable steps that must be taken to ensure that proper mechanisms and separation of duties in the supply chain management system are in place to minimise the likelihood of fraud, corruption, favouritism, and unfair and irregular practices.
CFO18	116(2)(a) MFMA	Determining the reasonable steps that must be taken to ensure that a contract or agreement procured through the supply chain management policy of the Municipality is properly enforced.
CFO19	119(2) MFMA	Determining the resources or opportunities to be made available for the training of officials involved in the implementation of the supply chain management policy of the Municipality to meet the prescribed competency levels.
CFO20	178(2)(c) MFMA	Submitting to the National Treasury a list of all other types of contracts of the Municipality for a period beyond 1 January 2007 and with a value of more than one million Rand in total or per annum.

4.6 MUNICIPAL OFFICIALS' GENERAL PROCUREMENT DELEGATIONS

The following statutory powers and duties are delegated to the Municipal Officials in accordance with the relevant legislation.

Table 8: Municipal Officials' General Procurement Delegations		
Number	Section In Act	Power
ED08	62(l)(a) MFMA	Deciding the reasonable steps to be taken to ensure that the resources of the Municipality are used effectively, efficiently and economically.
ED09	62(l)(d) MFMA	Deciding the reasonable steps to be taken to ensure that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented.
ED14	116(2)(b) MFMA	Monitoring the performance of a contractor under a contract or an agreement with the Municipality on a monthly basis.
ED15	116(2)(c) MFMA	Determining the capacity that needs to be established within the Municipality's administration to assist the Municipal Manager to enforce the provisions of a contract or agreement between the Municipality and a contractor and to monitor the performance of a contractor under a contract or an agreement with the Municipality on a monthly basis.
ED17	116(2)(d) MFMA	Regularly report to the Council regarding the management of contracts and/or agreements and the performance of contractors.
ED18	116(2)(d) MFMA	Determining the frequency/regularity of reports to be submitted to the Council regarding the management of contracts and/or agreements and the performance of contractors.

4.7 BID COMMITTEES' GENERAL PROCUREMENT DELEGATIONS

The following statutory powers and duties are delegated to the Bid Committees in accordance with the relevant legislation.

Table 9: Bid Committee's General Procurement Delegations

Number	Section In Act	Power
BC01	65(2)(i) MFMA	Deciding the reasonable steps to be taken to ensure that the Municipality's supply chain management policy is implemented in a way that is fair, equitable, transparent, competitive and cost- effective.
BC02	All	Must ensure compliance with all Supply Chain Management legal prescripts.
BC03	PPPFA	Must comply with the framework for a preferential procurement system and incorporate the 80/20 and 90/10 preference point systems. - Value less than R1 000 000 for 80/20 preference points. - Value more than R1 000 000 for 90/10 preference points.
BC04	BBBEE	Contribute to the economic transformation of the municipal area by implementing BBBEE.
BC05	Recommended	Report to Council regarding the awarding of contracts on a monthly basis.
BC06	Recommended	The request and approval of variation orders where the actual cost exceeds the cost estimate.